

Essential Programs & Services

- Section 1: General Costs
- Section 2: Finding the Basic Operating Cost Allocations
- Section 3: Finding the Additional Operating Cost Allocations
- Section 4: Calculation of Required Local Contribution
- Section 5: Adjustments made to Government Contributions
- Section 6: Schedule of Payments

Introduction

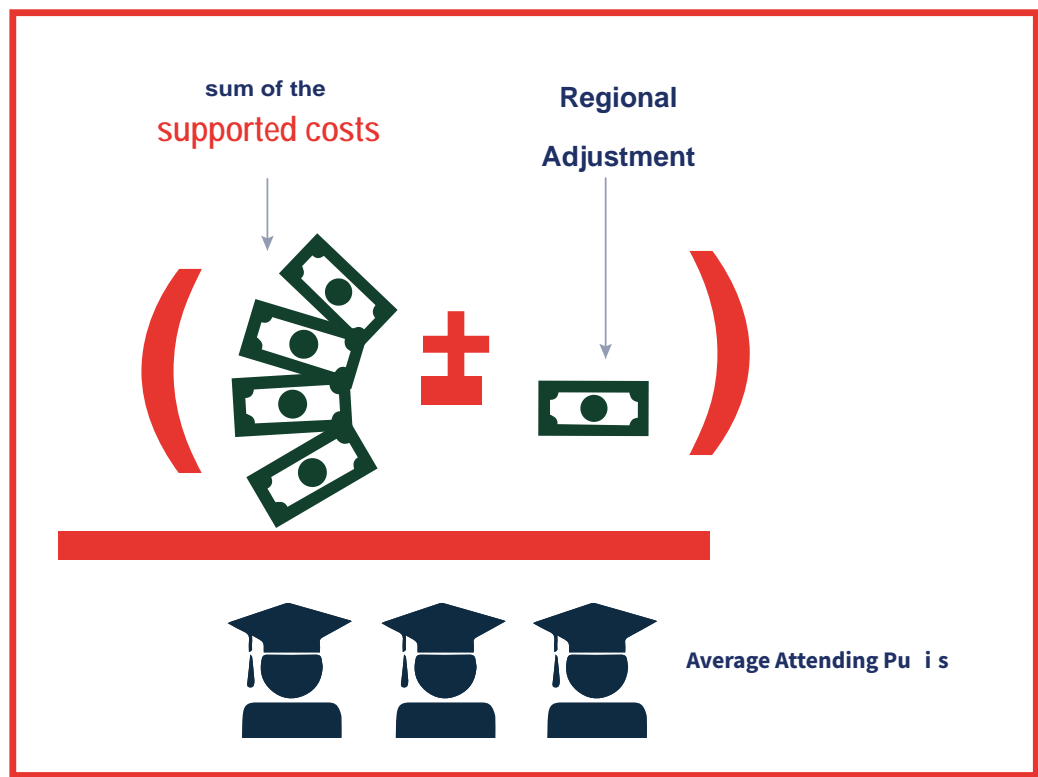
The Essential Programs and Services [EPS] formula is a complex system which determines what funds the local community and the state needs to provide for each school district. By analyzing each individual district and taking into account all of the needs of each school, the Maine Department of Education can predict the general funds those individual districts will need for the school year. This system gives schools a tailored budget-- one which is not equal, but equitable to the budgets of other districts.

Section 1: General Costs

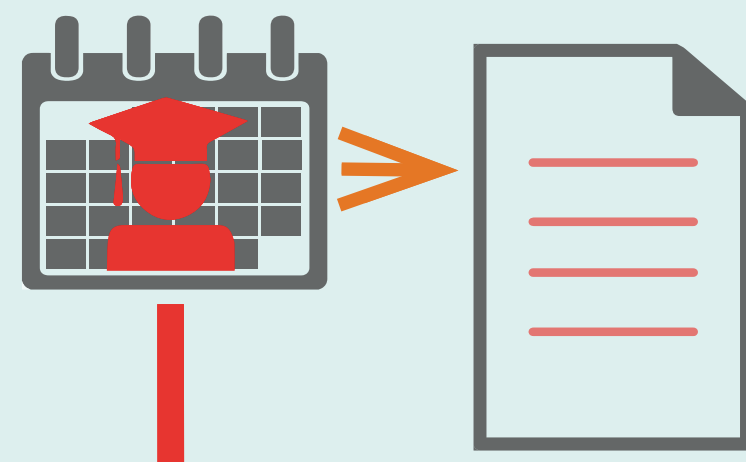
Source: 15676-15680

The first section of the formula finds the **EPS rate**, which is the allocation of a student that needs no supplementary support.

First, the supported costs are found, then the regional adjustment is added or subtracted, and lastly, this number is divided by the average attending pupils.



Finding the Supported Costs...



Calendar year average of student body is found with attending count certification

Staff FTE Ratios

Using this calendar year average, staff positions are then calculated with a student to teacher ratio. The ratio varies per grade (ie: 15 to 1 for high school)



% of EPS is calculated by: $\frac{\text{EPS FTE total}}{\text{Actual FTE total}}$

When the percentage is below 1, that indicates that there are more staff than the EPS model calculates. When percentage is above 1, there is less staff than the recommended model.

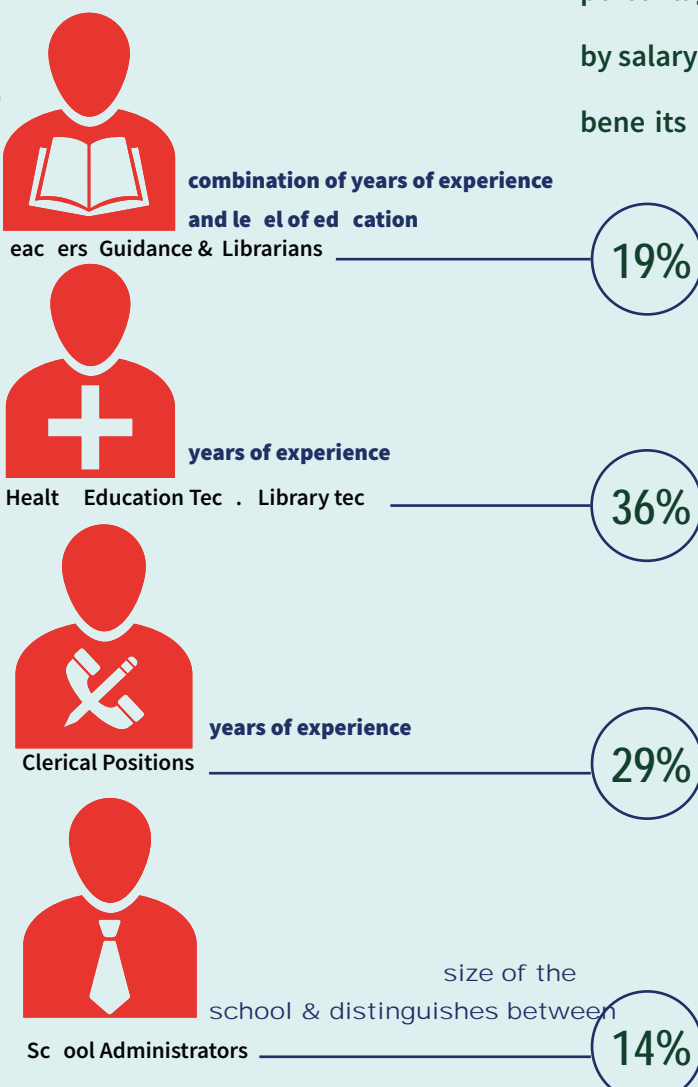
FTE= Full Time Equivalent

Calculating Salaries & Benefits

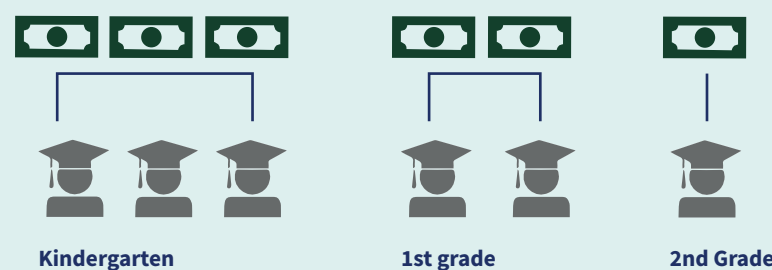
Each salary is based off of a variety of factors...



The sum of the individual amounts are summed and multiplied by the % of EPS (This divides the total amount of money for the recommended number of staff amongst the actual number of staff)



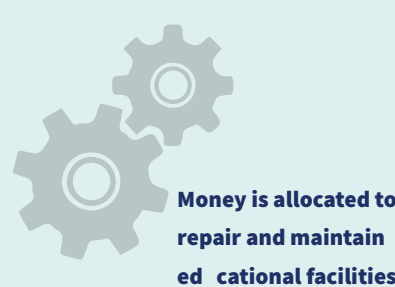
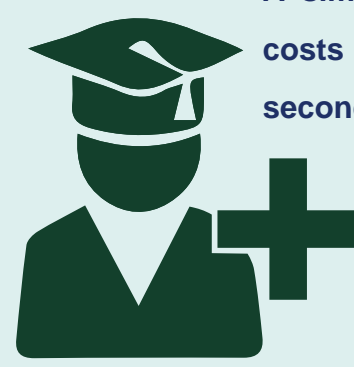
The distribution of the staff salary is determined by the distribution of students for each grade in the school district.



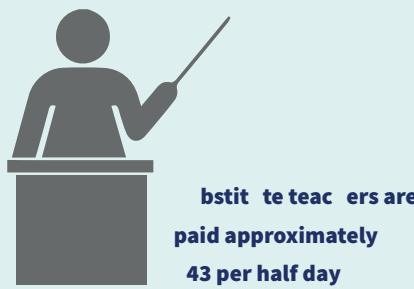
Adding in Other Support Per-Pupil Costs

A simple formula of expenses multiplies costs by average elementary students and secondary students

$(\$ \times \text{elementary students}) + (\$ \times \text{secondary students})$



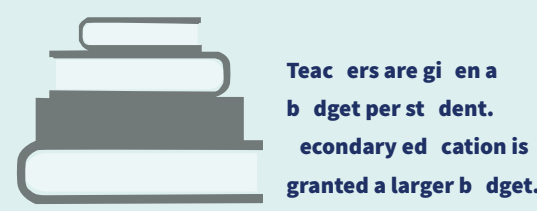
Operations and Maintenance



Substitute Teachers



Co- and Extra-Curricular Student



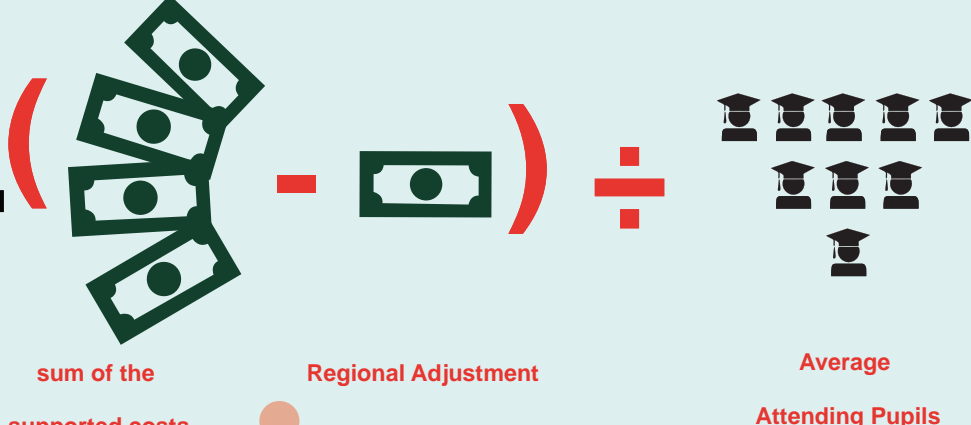
Supplies and Equipment



Professional Development

Plugging the expenses into the EPS Rate Formula

After subtracting out regional adjustments and additional adjustments for Title 1, the sum of the supported costs is divided by the average attending pupils.



The Regional Adjustment exists to take into account the different labor markets. ie: in Bangor, teachers are paid more because the cost of living is more expensive.

Section 2: Finding the Basic Operating Cost Allocations

Different grades and different students come with separate needs.



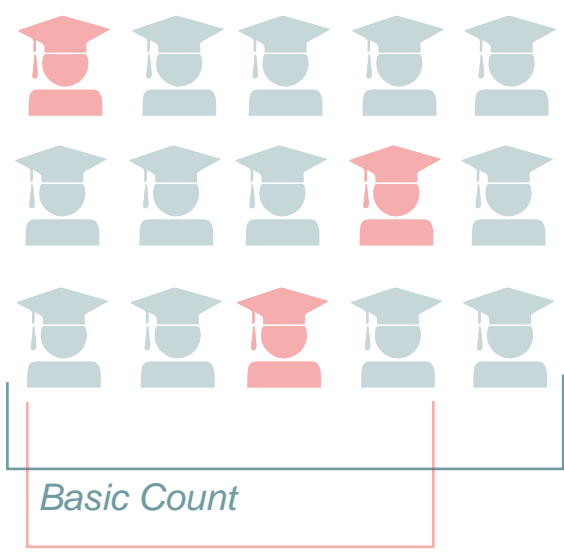
Section 2 accounts for the **local needs** of the individual school districts

- This section looks at:**
- **The needs of basic students**
 - **The needs of disadvataged students**
 - **Targeted Funds**
 - **The Isolated Small School Adjustment**

Subsidizable Pupils

Source: 15674

The average subsidizable pupil population is found from using the student population from the current year and the year before.



Weighted Count

Basic Count

Source: 15675

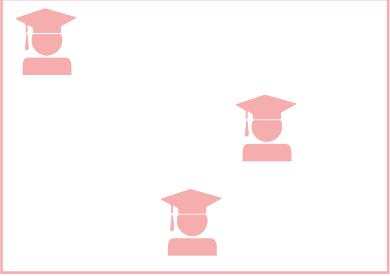
The entire student population is mutiplied by the SAU EPS rate calculated in section 1 to determine the basic cost allocations.



× EPS Rate

Weighted Count

A secondary count is made using the disadvantaged and ELL.The number of pupils who qualify are multiplied by an EPS Rate (.15 for disadvantaged students and .5 for ELL)



× (EPS Weight × EPS Rate)

Targeted Funds

Source: 15681

Targeted funds are allocated to support **assessments**, **technology** resources, **pre-k through 2nd grade pupils**, and **disadvantaged students**

The allocations for these funds are found by multiplying the number of pupils by the amount of money predicted necessary



Testing

Pupils × targeted amount



Technology

Pupils × targeted amount



Prek- 2nd grade

Pupils × .10 × targeted amount



3rd grade-Secondary Education

Pupils × .15 × targeted amount

Isolated Small School Adjustment

Source: 15683

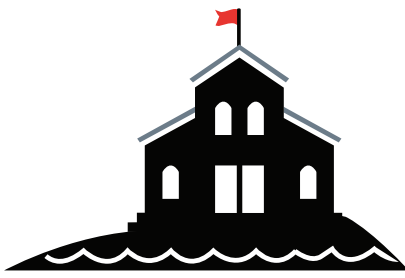
There are 3 different types of isolated schools...



Isolated Small Elementary Schools



Isolated Small Secondary Schools




Island Schools

Isolated Small Elementary Schools



Existing Pre-K-8 Schools


Qualifications

 < 15 Fewer than 15 students per grade level

Existing Non- Pre-K-8 Schools

(Schools that have do not have entire Pre-K-8 range)

Qualifications

 < 29 Fewer than 29 students per grade level

Nearest school is more than 8 miles away

Adjustment:

12.2% of the weighted per pupil amount


Adjustment:

Less than 15 students: 13.4% of the weighted per-pupil amount
15-28 students: 8.8% of the weighted per-pupil amount

Isolated Small Secondary Schools



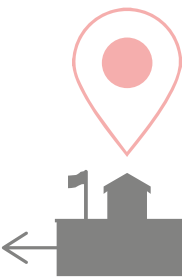
Qualifications

 < 200 Fewer than 200 students per grade level

- Distance from furthest point in district to nearest high school is at least 18.5 miles
- Distance between the high school and nearest high school is over 10 miles

Adjustment:

Student- teacher ratios reduces to 11:1 for schools with fewer than 100 students and 13:1 for schools with 100-199 students



Island Schools

Qualifications

 =  Island- operating schools

Adjustment: A. Isolated small secondary schools student- teacher adjustment for schools with fewer than 200 students

B. 10% transition adjustment in K-8 EPS rate for elementary schools

C. 13% - 26% adjustment to EPS operating and maintenance costs, depending upon school level and size, for islands operating schools. (Less than 20 students= 13%, 20-75 students= 26%



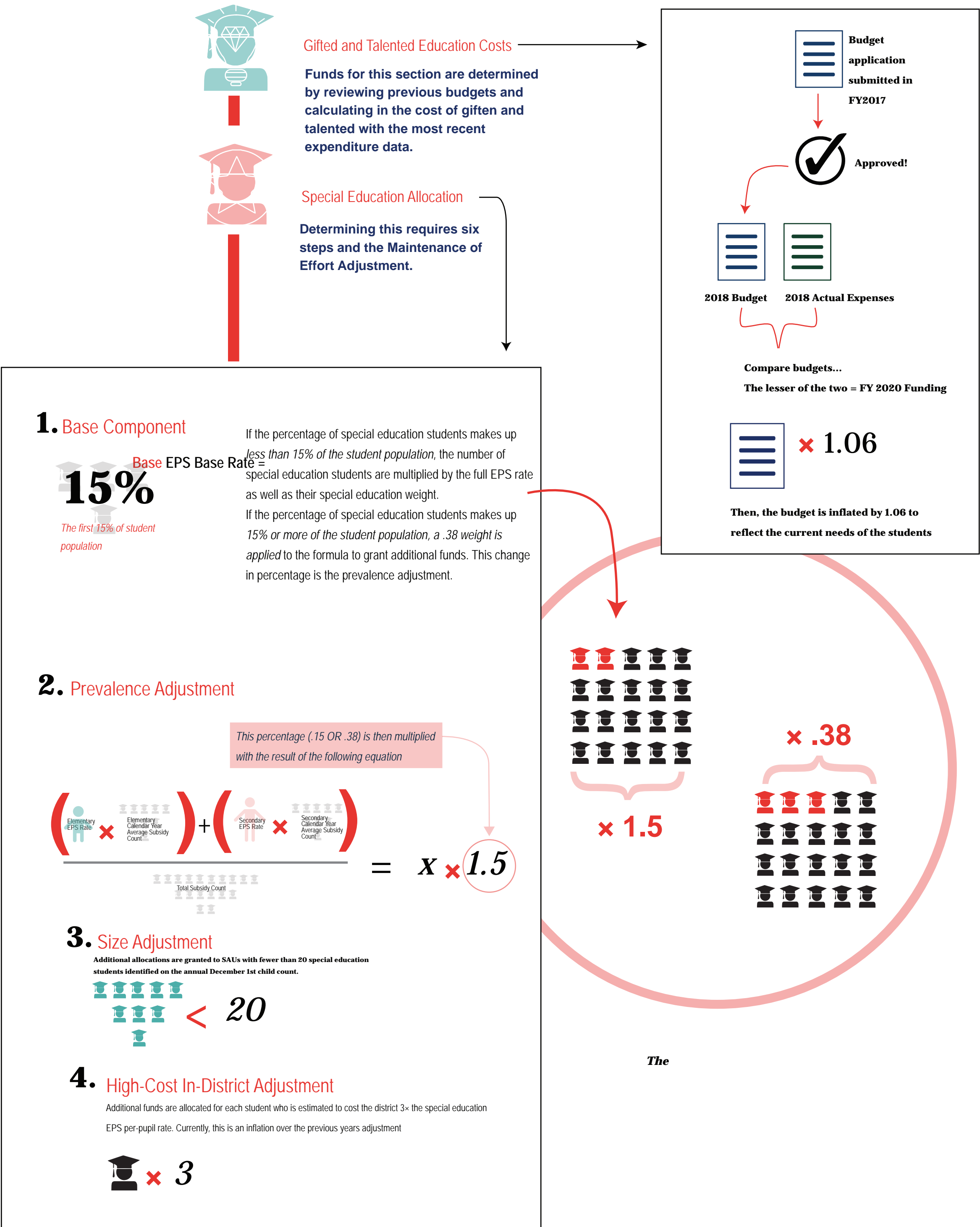
Fewer students= more staff support

 < 200

Section 3: Finding the Additional Operating Cost Allocations

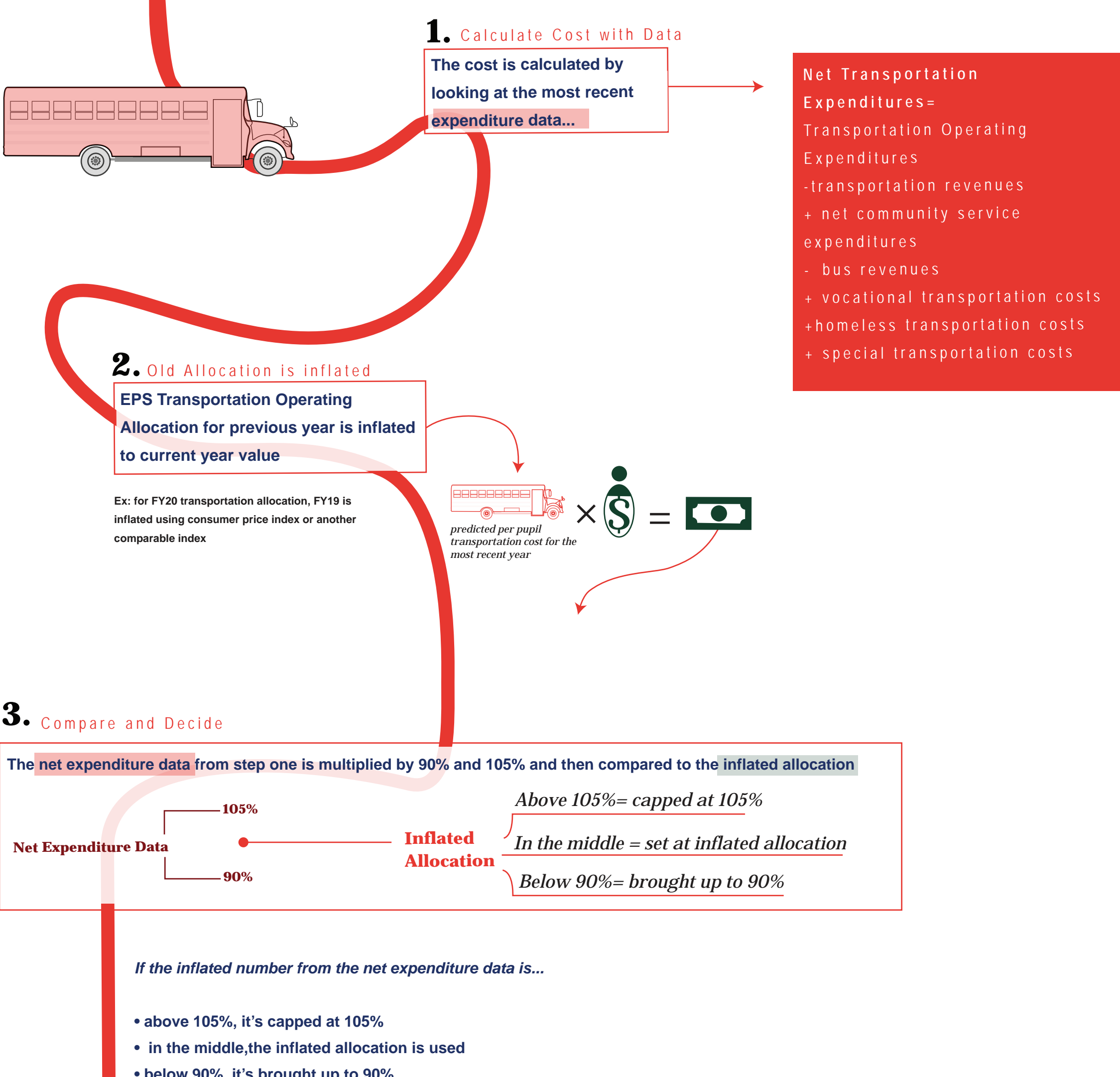
Source: 15681-A

Expenses, such as other subsidizable costs and retirement, are factored into this part of the formula



Transportation Operating Allocation

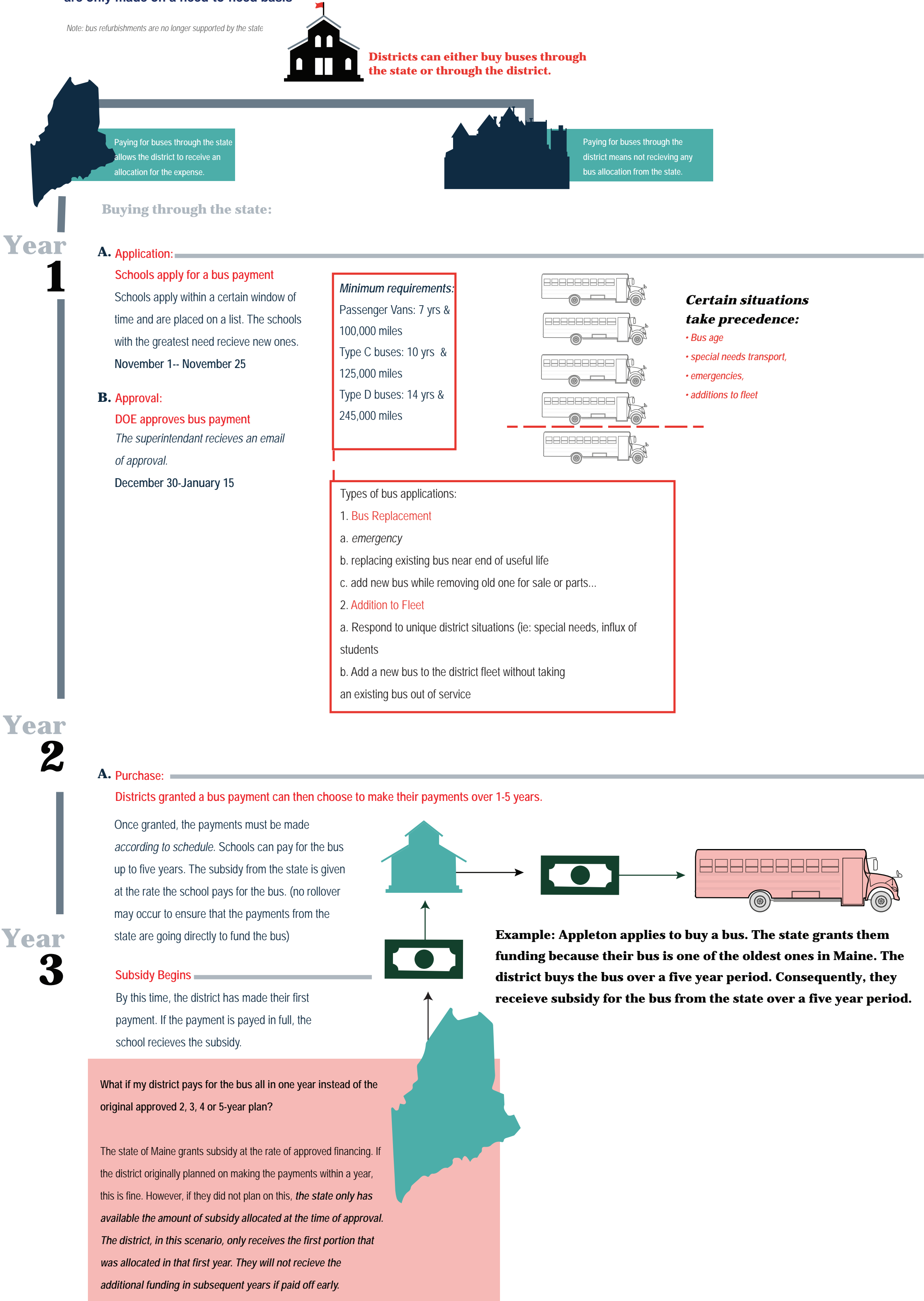
Funds for this allocation are determined by reviewing previous budgets, generating a budget, inflating it, then seeing where it lands on a spectrum...



Bus Purchase Allocations

Bus purchase allocations fall outside of the transportation allocations and are only made on a need-to-need basis

Note: bus refurbishments are no longer supported by the state



Section 4: Calculation of Required Local Contribution

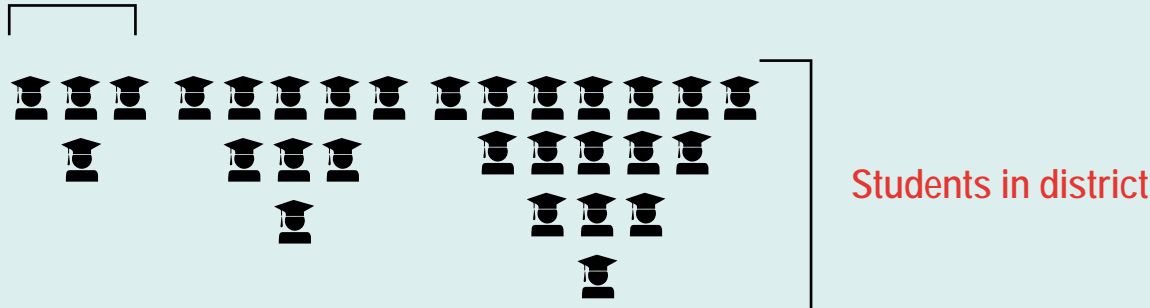
Source: 15688

Looking at the funds local towns are capable of raising and the funds the government can contribute

1. Expenses are added up and divided within district

In a district, the percentage of students per school is determined and then used to calculate what expenses each school is responsible for

Students in school

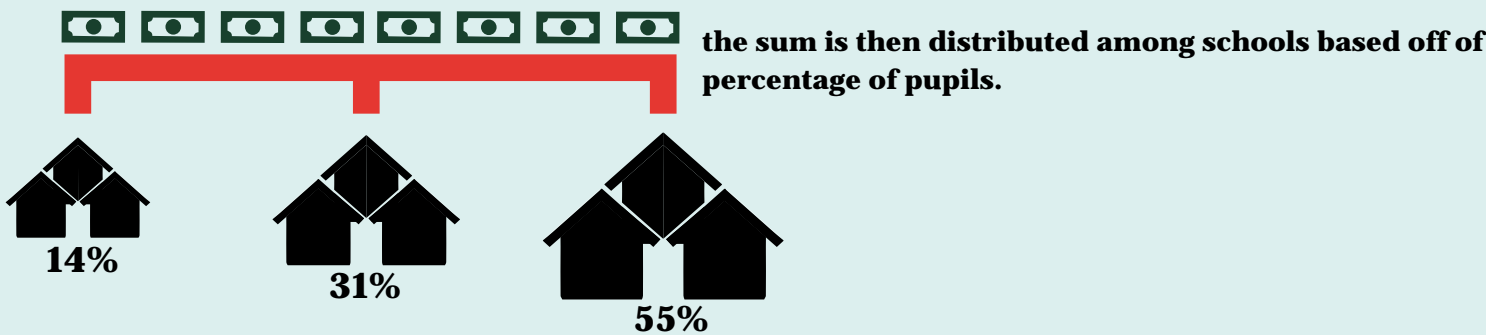


Operations, other subsidies, and the retirement allocation distribution are added to the municipal debt allocation distribution

Money needed to provide services to students and run the schools

+

Sum of debt schools owe to government



2. Local contributions are determined

The Average State Valuation is muliplied by the Mil Expectation

The Mil Rate is Determined by...

- Total cost of education
- State Resources
- Valuation of town

3. Required Local contributions are subtracted from Total Allocations

The Average State Valuation is muliplied by the Mil Expectation



Section 5: Adjustments made to Government Contributions

Source: 15689



- Plus Audit Adjustments & Less Audit Adjustments
 - Less Adjustment for Unappropriated Local Contribution
 - Less Adjustment for Unallocated Balance in Excess of 3%
 - Special Education Budgetary Hardship Adjustment
 - Plus Long-Term Drug Treatment Centers Adjustment
 - Regionalization and efficiency assistance
 - Less MaineCare Seed- Private & Public
 - Career and Technical Education Center Allocation
- adding/subtracting money to their state subsidy
- If a school district does not raise local share, money is taken away from the subsidy
- If a school district holds more than 3% in unallocated reserves, anything above that 3% is removed in subsidy.
- RSU 6 and 18 qualify for this adjustment

Special Education Budgetary Hardship Adjustment

The special education budgetary hardship adjustment serves to support schools who gain additional students with special needs after their budget has passed.

Qualification of Adjustment

In order to qualify, schools must meet either criteria 1a or 1b as well as criteria 2. So, a school might qualify for this adjustment with 1a and 2, or 1b and 2.

Eligibility criteria 1a:

Student's placement is a result of an appeal approved by the commissioner (pursuant to section 5205, subsection 6)

Eligibility criteria 1b:

Student became the fiscal responsibility of the school administrative unit after the passage of that unit's budget for the current fiscal year

Eligibility criteria 2:

Special education budget

5%

The school administrative unit's unexpected allowable costs result in a 5% or more increase in the percentage of the unit's special education budget category as compared to the unit's total budget excluding the debt service budget category.

Calculation of Adjustment

The adjustment is based on the costs under one of the following conditions:

A.) In-district placement: Special education costs that are above 3x the statewide special education EPS per-pupil rate

B.) Out-of-district placement: Special education costs above 4x the statewide special education EPS per-pupil rate

Special education costs will be based on:

- 1) Salary and benefit costs of certified professionals, assistants and aides or costs of persons contracted to perform special education services
- 2) Costs of tuition and board to other schools for programs that have been approved by the commissioner and not paid directly by the State

Note: Students who do not meet these requirements can be noted in the budget to determine whether or not a school is eligible for an adjustment, BUT, if no individual student meets one of these two requirements, (A or B) no additional adjustments are made. In other words, a school might experience an influx of students with special needs. Only specific students with costs that are 3x or 4x above the state special ed. EPS per-pupil rate are used to determine the additional funds provided to the school.

Source: Special Education Hardship Adjustment Guidance Document

MaineCare Seed

What is MaineCare Seed?

Currently when MaineCare pays a school-based claim, approximately 64% of that claim is paid by the Federal government and approximately 36% is considered a State match which the Department refers to as Seed.

What is the process?

First, DHHS estimates the seed cost for school-based services, then DOE upfronts the funds to DHHS for the fiscal year.

The Department of Education provides funds on behalf of SAUs to the Department of Health and human services for anticipated seed.

The DHHS provides a list of claims to the DOE and the DOE determines through enrollment who's responsible for funds...

Seed is assessed **quarterly** and each SAU is required to review student claims (that are determined by the department to be the responsibility of that SAU.)

The SAU pays for the MaineCare seed by relieving less subsidy from the state.

Once the timeline expires, the SAU's subsidy is reduced by the seed amount for that quarter. This is shown in the 279, which is the portal for the EPS formula.

There are two different MaineCare reports...

Services that are rendered at a public school.

Services that are rendered at a private school or by a private provider.

Quarterly MaineCare Reports

Quarterly reports are determined by when MaineCare pays them

July, August & September	October, November & December	January, February & March	April, May & June.
Q1	Q2	Q3	Q4

School-based services= services in accordance with an IEP/IFSP

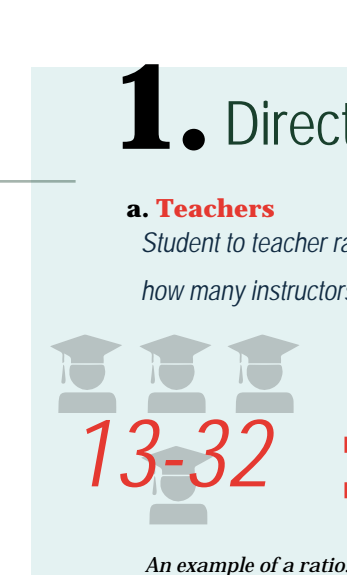
64%

36%

The percentages of responsibility has the ability to change each year according to the Federal Medical Assistance Percentages (FMAP).

To summarize...

DOE upfronts seed funds to DHHS for school-based services. Then, DOE recovers seed through the SAU subsidy. MaineCare handles the government funding portion.



Career & Technical Education Allocation

This allocation is state-side only; the funding comes primarily from the state government

1. Direct Instruction

a. Teachers

Student to teacher ratios are used to determine how many instructors are necessary

13-32 = 1

An example of a ratio. 33-39 students need 1.5 teachers. 40-64 need 2, and so forth.

Students	FTE
1-12	0.5
13-32	1.0
33-39	1.5
40-64	2.0
65-79	2.5
80+	3.0

Benefits: 19%

b. Ed Techs

Ed techs are needed for specific programs & are determined by a ratio. There is a minimum of at least 1 per school

Students	FTE
1-12	0.5
13+	1.0
Diversified	1.0 per
Occupations	27 students
Minimum	1.0 per school

• Agriculture & • Automobile Mechanics Technology

• Agricultural Mechanics Technology

• Autobody/Collision and • Plumbing

• Repair Technology

• Carpentry

Benefits: 36%

c. Clinical Supervisors

Programs: Health Professions and Related Clinical Services: Nurse/Nursing Assistant, Aide and Patient Care Assistant, and Emergency Medical Technology

\$2,700 per 8 students

d. Substitutes

Allocated by a per-pupil amount

2. Central Administration

a. Director

1 per CTE school

b. Assistant Director

1 per CTE school with over 349 students

(5 per CTE with 250-349 students)

c. Business Manager

1 per CTE region

d. Clerical Staff

1 per CTE per 250 students with a minimum of 1 FTE

f. Other Central Administrative Costs

16% of administrative salary and benefits

Benefits: 15%

3. Student and Staff Support

a. Guidance counselors

349:1 FTE

350+: 1.5 FTE

b. Coordinators

1 per school

+Benefits: 19%

c. technology per pupil amount

d. Co-Curricular per pupil amount

e. Professional Development per pupil amount

f. Safety per pupil amount

g. Program transportation

h. Assessment

i. Program Training

4. Supplies: specific amounts for specific Programs

Student to teacher ratios are used to determine how many instructors are necessary

Agriculture

Auto Tech

Autobody

Business

Child Care

CO-Op

Computer Repair

CTE Academics

Culinary Arts

Diversified Occupations

Drafting

Engineering

Electrician

Graphic Arts

Health

Machine Tool

Marketing

Multimedia

Pre-Engineering

Public Safety

Small Engine

Welding

Wood Harvesting

All Other Programs: General Amount

Additional Per-Pupil: Per Pupil Amount

5. Operations And Maintenance of Plant

Calculated per square footage amount.

Transition Period Adjustments

"Holding harmless to the old model"

previous budget

5%

If the old model is higher than current model, CTE school get the old amount.

Their budget will be gradually decreased until it matches the current model.

If the old model is lower than the current model, CTE schools get an inflated amount up to 5% --- but no more than the model amount.

Their budget will be gradually increased until it matches the current model

Section 6: Schedule

Scheduled Payments and Year to Date Payments

Subsidy payments are paid on a monthly basis & debt service is paid on a semi-annual basis.